

State Insurance Fund

Fund: Petroleum Clean Water Trust (0130-00)

Sources: The Idaho Petroleum Clean Water Trust Fund (Petroleum Fund) was established in 1990 (§41-4909, Idaho Code). The Petroleum Fund insures owners and operators of eligible petroleum storage tanks in the State for the cost of cleaning up releases of petroleum products and any resulting bodily injury or property damage suffered by third parties. By law, The Idaho State Insurance Fund administers all activities of the Petroleum Fund with the manager of the SIF as the trustee. The Petroleum Fund is administered without liability on the part of the SIF or the state of Idaho beyond the amount of the Petroleum Fund (41-4904(7), Idaho Code). Full provision for program administration, claim payment, reserves, and statutory requirements are determined actuarially based upon insurance industry and statutory requirements. The Petroleum Fund's underwriting practices and procedures are guided by Idaho Code §41-4911 and §41-4911A, which outlines the criteria necessary for storage tanks to be eligible for insurance.

The primary source of funding for the Petroleum Fund is a transfer fee that is assessed at the rate of \$.01 per gallon on the delivery or storage of petroleum products within the state of Idaho. The fee is collected by the Idaho State Tax Commission. Pursuant to an Idaho Supreme Court ruling, the distribution was changed subsequent to April 1, 1997. The Petroleum Fund is now apportioned 20% of the total transfer fees collected, which is remitted directly to the State Treasurer, custodian of the Petroleum Fund funds. The balance of the transfer fees is apportioned 3% to the Department of Parks and Recreation and 77% to the State Highway Trust Fund.

Section 41-4908(10), Idaho Code, provides that the fee shall be initiated or suspended based on the balance of the Fund's unencumbered surplus. The first suspension commenced on October 1, 1999, in accordance with Idaho Code after the balance of the unencumbered surplus account had reached \$30,000,000. At that time the law provided that the assessment would be suspended when the surplus account equaled \$30,000,000 and would be reinstated when the surplus account declined to \$20,000,000. Effective July 1, 2000, with the enactment of Idaho Senate Bill 1584, the trigger point for the re-initiation was adjusted from \$20,000,000 to \$15,000,000 and the suspension trigger was adjusted from \$30,000,000 to \$25,000,000.

In addition to the transfer fee, owners or operators of underground or above ground storage tanks may apply for insurance by paying into the Petroleum Fund an annual application fee of \$25 for each regulated, farm, or residential petroleum tank and \$5 for each commercial and residential heating oil tank for which coverage is applied.

Uses: The Petroleum Fund operates in many respects similar to a non-profit corporate entity (§41-4904(4), Idaho Code). The moneys in the IPCTWF are to be used only to insure governmental and private entities who are owners and operators of petroleum storage tanks from the costs of corrective action and compensation of third parties who have suffered damages arising from an accidental release of petroleum from tanks insured by the Petroleum Fund (§41-4904(1), Idaho Code).

Budget Unit: GVHB (Cont) (186) Petroleum Storage Tank

FY 00	\$1,206,256	FY 01	\$2,630,127	FY 02	\$2,968,798	FY 03	\$3,181,386	FY 04	\$2,573,671
--------------	--------------------	--------------	--------------------	--------------	--------------------	--------------	--------------------	--------------	--------------------

Budget Unit: GVHD (Cont) (186) PSTF-Petroleum Storage Tanks Cont

FY 00	\$3,100,721	FY 01	\$943,766	FY 02	\$0	FY 03	\$0	FY 04	\$0
--------------	--------------------	--------------	------------------	--------------	------------	--------------	------------	--------------	------------

Total Petroleum Clean Water Trust Fund (0130-00)

FY 00	\$4,306,977	FY 01	\$3,573,893	FY 02	\$2,968,798	FY 03	\$3,181,386	FY 04	\$2,573,671
--------------	--------------------	--------------	--------------------	--------------	--------------------	--------------	--------------------	--------------	--------------------

Fund: State Insurance (0424-00)

Sources: The State Insurance Fund (SIF) was created in 1917 to provide Idaho employers with a reliable source of worker's compensation insurance to facilitate compliance with Idaho Workers' Compensation laws. Public employers in Idaho must insure through the Insurance Fund unless the employer chooses to be self-insured. Private employers may self-insure or purchase insurance from private insurers or the Insurance Fund.

The SIF is an independent body corporate politic which the Idaho Supreme Court has ruled to be an agency of the State serving a public purpose and carrying on and effecting a proprietary function (§72-910, Idaho Code; State v. Musgrave, 84 Idaho 77, 370 P. 2d 778 (1962)). The SIF is subject to the same provisions of the Idaho insurance code, Title 41, Idaho Code, as are the other workers' compensation carriers in the state, except the SIF is not a member of the Idaho insurance guaranty association (§72-902(4), Idaho Code). The SIF has no regulatory authority. The regulatory authority regarding workers compensation rests with the Industrial Commission of the State. The SIF is funded only through premiums from the sale of workers' compensation insurance and earnings from the investment of its assets. The SIF is administered without liability on the part of the State. Full provision for program administration, claim payment, reserves, and statutory requirements are determined actuarially based upon insurance industry and statutory requirements.

Uses: The assets of the SIF are not State assets and are not held in the State treasury within the meaning of Article 7, Section 13 of the State Constitution. SIF monies are deposited with the State Treasurer as custodian and held by the Treasurer as such in trust for the contributing employers and the beneficiaries of the workers' compensation law and for the payment of Fund operating costs (§72-910, Idaho Code; State v. Musgrave, 84 Idaho 77, 370 P.2d 778 (1962)). At the discretion of the SIF manager, and after full provision for benefits payments, reserves, policyholder surplus requirements and expenses have been met, excess surplus of the SIF may be returned to policyholders in the form of a dividend.

Budget Unit: GVHA (Cont) (186) Worker's Compensation

FY 00	\$19,508,611	FY 01	\$25,289,093	FY 02	\$28,434,484	FY 03	\$29,448,873	FY 04	\$31,753,770
--------------	---------------------	--------------	---------------------	--------------	---------------------	--------------	---------------------	--------------	---------------------

Budget Unit: GVHC (Cont) (186) Worker's Compensation

FY 00	\$81,271,141	FY 01	\$86,853,566	FY 02	\$95,980,527	FY 03	\$108,268,644	FY 04	\$122,013,760
--------------	---------------------	--------------	---------------------	--------------	---------------------	--------------	----------------------	--------------	----------------------

Total State Insurance Fund (0424-00)

FY 00	\$100,779,752	FY 01	\$112,142,658	FY 02	\$124,415,011	FY 03	\$137,717,517	FY 04	\$153,767,529
--------------	----------------------	--------------	----------------------	--------------	----------------------	--------------	----------------------	--------------	----------------------

State Insurance Fund Grand Total

FY 00	\$105,086,729	FY 01	\$115,716,552	FY 02	\$127,383,809	FY 03	\$140,898,903	FY 04	\$156,341,200
--------------	----------------------	--------------	----------------------	--------------	----------------------	--------------	----------------------	--------------	----------------------